



PATIENT ACCOUNTS POLICY & PROCEDURE

Title: Charity Care

Number: PA501

Effective Date: 01/01/99

Revised Date: 11/01/06

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DEPARTMENT OF HEALTH
Center for Health Statistics

PURPOSE:

To establish consistent Charity care guidelines which may apply to all patients requesting assistance in paying their hospital bill.

POLICY:

Grays Harbor Community Hospital is committed to the provision of health care services to all persons in need of medical attention regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of WAC 261-14, are established. These criteria will assist staff in making consistent and objective decisions regarding eligibility for charity care while ensuring the maintenance of a sound financial base.

PROCEDURE:

A. Description of Eligibility Criteria

Charity care is generally secondary to all other financial resources available to the patient, including group or individual medical plans, workers compensation, Medicare, Medicaid or medical assistance programs, other state, federal or military programs, third party liability situations (auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under this hospital policy based on their income calculated for the 3 month prior to the date of request. This date should be no later than 150 days from the date of service.

1. The full amount of hospital charges will be determined to be charity care for any patient whose family income is at or below 100% of the current poverty income guideline. A reasonable denial from DSHS and/or DSHS spend down will be required. No uninsured patient with income under 100% of the federal poverty level is required to pay for care.
2. No uninsured patient with an annual income under 200% percent of the federal poverty level is required to pay more than the estimated cost of their care. The discount for 100 to 200 percent is 58.47% percent.

3. No uninsured patient with an annual income under 300% percent of the federal poverty level is required to pay more than 130% of the estimated cost of their care. The discount for 200 to 300% percent is 46.01% percent.
4. Catastrophic Charity Care. The hospital may also write-off as charity care amounts for patients with family income in excess of 100% of the federal poverty standards when circumstances indicate severe financial hardship or personal loss. These write-offs must be approved by the Patient Accounts Supervisor and do not fall into the 14 day reporting structure. Approval or Disapproval will be provided within 45 days of request

Process for Eligibility Determination

1. Initial Determination: During the patient registration process, the hospital will make an initial determination of eligibility based on verbal or written application for charity care. Pending final eligibility determination, the hospital will not initiate collection efforts or requests for deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a termination of sponsorship status including return of applications and documentation within fourteen (14) days of receipt.
2. Final Determinations: Charity Care forms, instructions and written applications shall be furnished to patients when charity care is requested, when need is indicated or when financial screening indicates potential need. All applications, whether initiated by the patient or the hospital, should be accompanied by documentation to verify income amounts indicated on the application form. One or more of the following types of documentation may be acceptable for purposes of verifying income:
 - a. W-2 withholding statements for all employment during the relevant time period.
 - b. Pay stubs from all employment during the relevant time period.
 - c. Bank statements.
 - d. An income tax return from the most recently filed calendar year.
 - e. Forms approving or denying unemployment compensation.
 - f. Written statements from employers or welfare agencies.

In the event that the responsible party is not able to provide any of the documentation described above, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person.

Patients may be required to provide verification of ineligibility for Medicaid or Medical Assistance. During the initial request period, the hospital may pursue other sources for funding, including Medicaid.

Income shall be annualized from the date of application based upon documentation provided and upon verbal information provided by the patient. The annualizing process will be determined by the hospital and will take into consideration seasonal employment and temporary increases and/or decreases of income.

- 3 Time Frame for Final Determination and Appeals: The hospital shall provide final determination within 14 days of receipt of all application and documentation material.
4. Denials: Denials will be written and include instructions for appeal or reconsideration as follows: the patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the

Charity Care Coordinator within fourteen (14) days of receipt of notification. All appeals will be reviewed by the Supervisor and/or Director of Patient Accounts. If this determination affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with State law.

C. Documentation and Records

1. Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- 2 Documents pertaining to charity care shall be retained for three (3) years.

D. Notification

1. Public Notification: The hospital's charity care policy shall be publicly available through the posting of a sign and distribution of written materials indicating the policy to patients at the time the hospital request information to third party coverage.

Authenticated By:


Director of Patient Financial Services

12/04/06
Date